



PRESS RELEASE

Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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Operator of Ohio Anti-Aging Skincare Company Indicted for Obstructing Internal Revenue Service and Filing False Income Tax Returns

A federal grand jury returned an indictment on March 22, which was unsealed today, charging the operator of an anti-aging skincare company in Dayton, Ohio, with one count of corruptly endeavoring to impair and impede the Internal Revenue Service (IRS), two counts of aiding and assisting in the preparation of false income tax returns and five counts of filing false income tax returns, announced Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division.

According to the indictment, James L. Wright of Germantown, Ohio, controlled the financial and business operations of B&P Company Inc., a fourth-generation family business that has manufactured and sold skincare products, including a wrinkle reduction product called Frownies, since approximately 1889. It is alleged that beginning in 1997, Wright used a series of entities that he established and controlled to divert money from B&P Company to his personal use and the use of his family members. Wright caused the preparation and filing with the IRS of false tax returns for B&P Company for the years 2008 and 2009 that claimed deductions for payments that Wright made or caused to be made from the company for his mother's apartment rent and utilities and the apartment rent of one of his daughters. Wright is also alleged to have filed false tax returns for another entity, The Remnant Inc., on which he claimed deductions for personal expenses – including expenses related to his personal residence, rent for an apartment for one of his daughters and automobile expenses. The indictment further charges him with filing false personal income tax returns for the years 2008, 2009 and 2010 on which he underreported his income.

Among the entities that Wright used to obstruct the IRS was Fore Fathers Foundation, a private foundation that Wright established in 2003. Wright is alleged to have used Fore Fathers Foundation, which was funded with donations from B&P Company and another entity that Wright controlled, to pay his children's private high school and college tuition. Wright filed income tax returns in the name of the foundation for the years 2008

and 2009 that failed to disclose that the foundation made payments for his children's educational expenses. Wright is also alleged to have submitted documents to the educational institutions on which he concealed his involvement with Fore Fathers Foundation.

Wright was arrested on March 30. If convicted, Wright faces a statutory maximum sentence of three years in prison and a \$250,000 fine on each count of the indictment.

An indictment is not a finding of guilt. Individuals charged in indictments are presumed innocent until proven guilty beyond a reasonable doubt.

Acting Assistant Attorney General Ciralo thanked special agents of IRS-Criminal Investigation, who investigated the case and Trial Attorneys Melissa S. Siskind and Thomas F. Koelbl of the Tax Division, who are prosecuting the case.

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